

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 Fremont Street, 21st Floor
San Francisco, California 94105**

RH02022905

September 3, 2003

INITIAL STATEMENT OF REASONS
Electronic Application Submission Interface

PURPOSE OF THE REGULATION

Pursuant to California Insurance Code Section 11620 California Insurance Commissioner John Garamendi will hold a public hearing regarding the recommendation of the California Automobile Assigned Risk Plan (“CAARP” “Plan”) to amend the CAARP Manual to introduce a an Electronic Application Submission Interface (EASi).

NECESSITY OF REGULATION

EASi will offer immediate coverage and provide electronic transmittal of an application to the Plan Office. In addition, operating procedures for the establishment of a future effective date, the retraction of an EASi reference number, the forwarding of the completed original application to the Plan, and the handling of the violations of EASi procedures are provided. An additional performance standard pertaining to EASi has been introduced for Certified Producers.

Insurance Code Sections 11620 and 11624, the Commissioner approves the rules and regulations governing the administration of the plan rates for those obtaining coverage through the assigned risk plan. Before amending the plan for CAARP, the Commissioner holds a public hearing.

IDENTIFICATION OF STUDIES

The application relies upon the expertise of CAARP’s Advisory Committee. Other than the application and accompanying explanatory memorandum and exhibits, however, no studies have been submitted for this proceeding.

SPECIFIC ACTIONS, PROCEDURES, TECHNOLOGIES OR EQUIPMENT

Adoption of the proposed changes would not mandate the use of specific technologies or equipment.

REASONABLE ALTERNATIVES

The Commissioner invites public comments on the proposed changes and reasonable alternatives which would be as effective to carry out the proposed changes.

ECONOMIC IMPACT ON BUSINESS

The Commissioner has initially determined that the proposed changes will not have a significant adverse economic impact on businesses. The Commissioner invites interested parties to comment on whether the proposed changes will have a significant adverse economic impact on business.